- Montgomery County Task Force Meeting
- October 25, 2011 Kaiser Permanente
 The Future of Healthcare is Now Open



Requested Items to Cover

- How does Kaiser as a staff-model HMO integrate wellness and disease management into it's delivery of health care?
- 2. What types of wellness/disease management/cost containment strategies does Kaiser Permanente have for its own employees and are these efforts available to others receiving medical coverage through Kaiser?
- 3. Does Kaiser have capacity locally to serve a substantial number of new clients if the county increased the use of Kaiser?
- 4. Does Kaiser have partnerships with unions? How has that worked? Is Kaiser a union environment?
- 5. How does Kaiser set its rates for county / large agency contracts (prices are slightly different for each of the agencies why)?

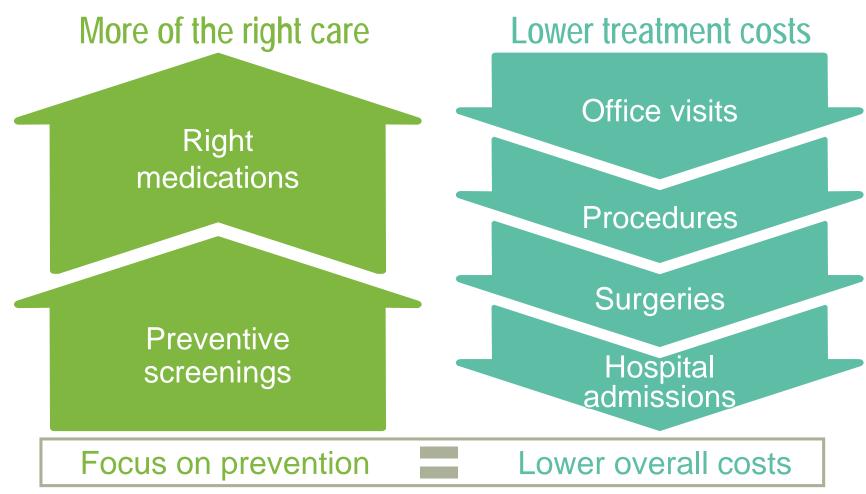


Requested Items to Cover

- Wellness and disease management in delivery of care
- Programs for Kaiser Permanente employees
- Capacity to serve new clients
- Union partnerships
- Rate setting



Superior value of integration



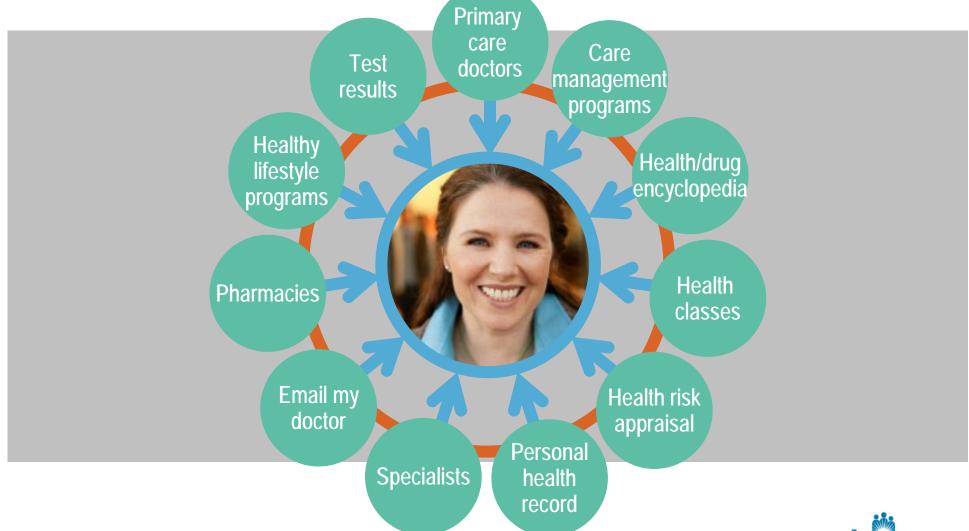
Source: Data from MarketScan, a service of Thomson/Reuters. As of February 2011.



The typical care experience



Member-centered engagement



Making wellness and disease management a reality



OUT-reach



Proactive search for care gaps



IN-reach



Connect patient to all care when present

Our system in action

KP Labs **Health Connect** Inpatient Secure Web-Based **Outpatient Universal Access Emergency Real Time Linked to Delivery System Pharmacy Electronic Ordering Imaging Digital Imaging Secure Messaging Immunization Membership** Financial & **KP.org** and **Benefits My Health Manager**

Population Management Tools

Disease registries

Risk stratification

Identification of subgroups needing care

Patient management tools

Targeted panel lists

Inreach- Prompts, reminders for clinicians

Outreach- Letters and automated telephone outreach to members

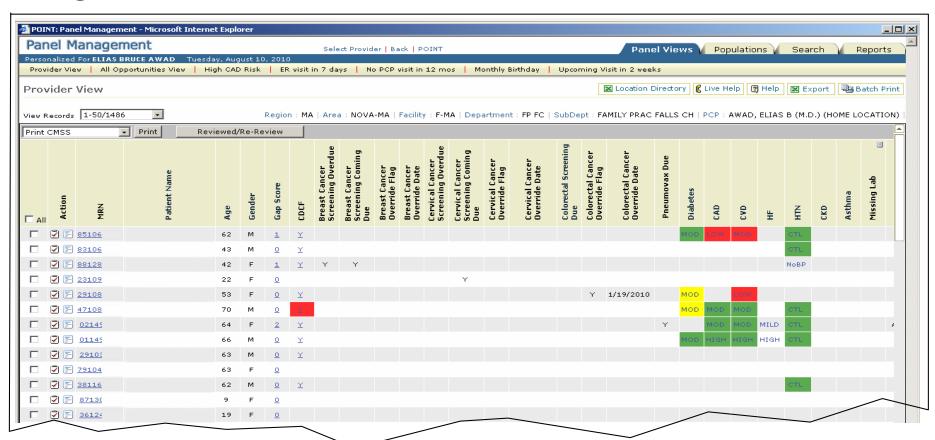
Monitoring and process improvement measures and reports



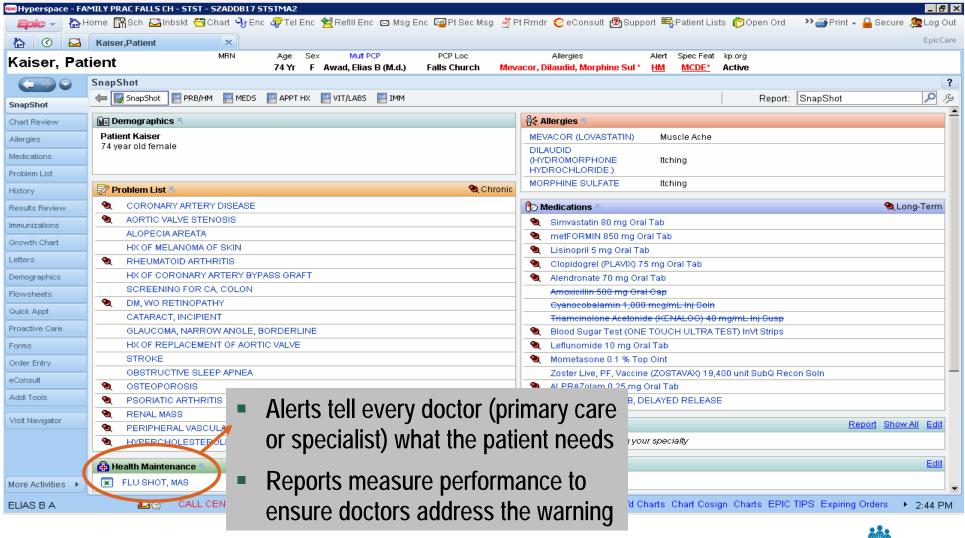
REGION MA AREA NOVA PHYSICIAN NGUYEN,							MOB RESTON DEPARTMENT Internal Medicine			
	Q4-09	Q1-10	Q2-10	CURRENT	Regional Rank	Local Rank	Target	Total pts not at target		
Asthma: Use of Appropriate Medications	100%	100%	100%	100.0%	36 of 289	5 of 14	96%	-		
Current # of eligible asthma patients : 8										
Dept Avg	90.1%	90.4%	91.8%	91.4%						
Cardiovascular Conditions: Lipid Control	80.6%	85.2%	93.1%	93.0%	1 of 228	1 of 10	68%	4		
Current # of eligible CAD(CVD) patients : 57										
Dept Avg	59.9%	62.2%	65.7%	66.5%						
Diabetes: Lipid Control	81.7%	85.1%	87.7%	85.9%	2 of 231	2 of 11	68%	<u>18</u>		
Current # of eligible diabetes patients : 128										
Dept Avg	58.9%	59.7%	63.1%	62.6%						

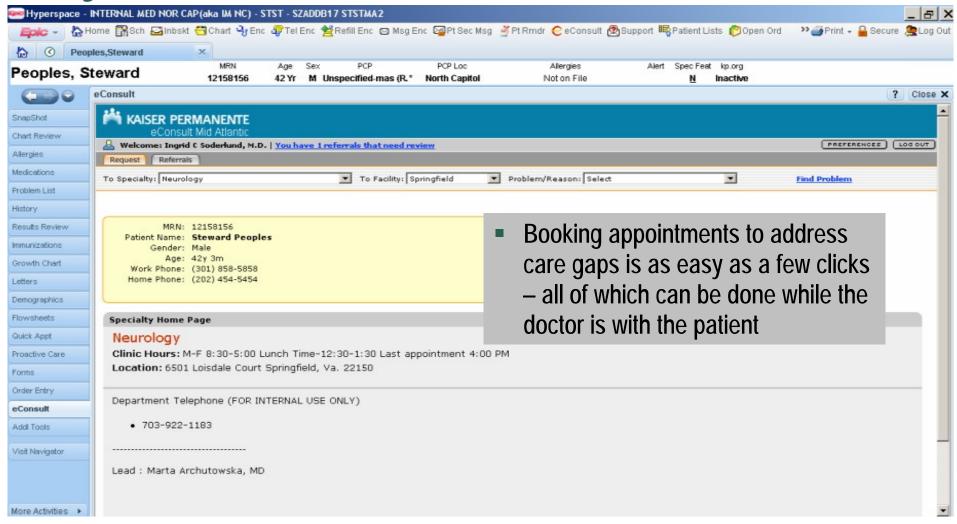
- We keep track of patient care gaps by every physician
- Our systems can sort, filter, slice, and dice to find gaps
- Our systems can export a list into Excel and we call/write





- Physicians can dive from global reports into their own patients
- Sort, filter, query as needed to find the ones in need of care





Kaiser Permanente Appointment Confirmation

Patient Name: Kaiser Member

MRN:

Appointment Type: Ec Co Endo Appointment Date: Oct 19, 2010

Appointment Day: Tuesday, 2:10 PM (ET)

Coverage: MAS KP-MID ATLANTIC/DCH SG \$20/\$30 (9427) 0109

Coverage Copay: \$30.00 Provider: T LEE M.D. Facility: Falls Church

> Department: **ENDOCRIN FALLS CH**

Location:

Cancellation Number: (800) 777-7904 (24 Hours A Day, 7 Days A Week)

Rebook Number: (800) 777-7904 (Mon-Fri, 7 AM to 8 PM)

Appointment Messages:

Patient Handouts: JAMA Patient Page: Managing type 2 diabetes

American Academy of Family Physicians-- Diabetes: New Treatments

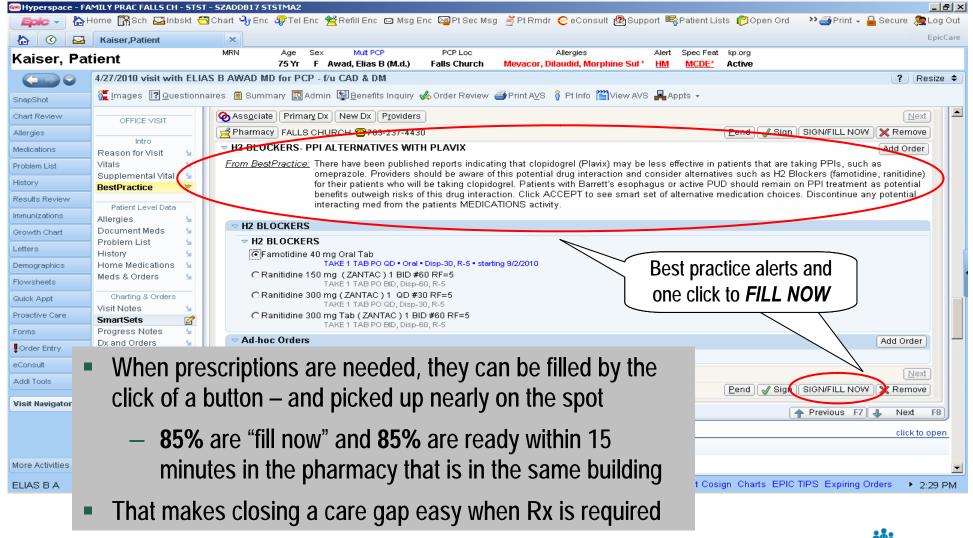
MEDLINEplus: Diabetes

KP Community Wellness Library Clinical Videotapes

JAMA Patient Page: Neuropathy

- The patient leaves with a confirmed appointment
- Many times it is same day at the same building





Pharmacy deep dive: Better pharmacy management mitigates costs & improves quality

- At Kaiser Permanente, we own and operate facility and mail-order pharmacy services
- Our physicians and pharmacists work together in our integrated system
- We use comprehensive strategies to maintain a clinically effective, cost-efficient program
- We provide employers with competitive pharmacy benefit rates

Right drugs

 Use evidence-based criteria in a scientifically rigorous review process to evaluate drugs for inclusion in our formulary

Right cost

- Formulary compliance at ~97% Doctors and pharmacists (not health plan administrators) develop our commercial formulary
- Generic usage

Right place

- Can fill at KP pharmacies co-located with doctor – using "Fill Now"
- Can refill via mail order (online)
- Higher fulfillment = better health = lower cost

Right safety

- Doctors and pharmacists access whole medical history to prevent use of contraindicated drugs
- Can work together to create best care plans

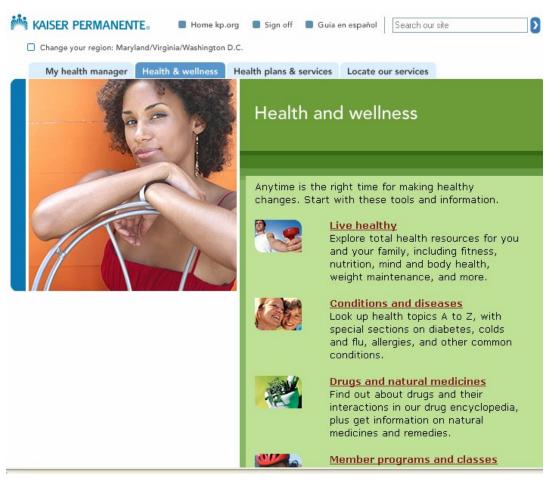


Systems built for patient engagement

My health manager Secure e-mail Access your health and health plan information in one safe, convenient place. Click to find out which **Test results** features are available to you. The most My doctor powerful online E-mail your doctor, get information about our health practitioners, select **Book appointments** your personal physician, and choose tools in the to act for a family member. industry... My medical record **Online refills** See test results, immunizations, choose to act for a family member, all for free and more. Pharmacy center **Print records** Order prescription refills online or check the status of a prescription refill for yourself or another member. Review our formulary (list of covered **Care reminders** drugs) too.

Appointment center

Not just engagement, but wellness tools too



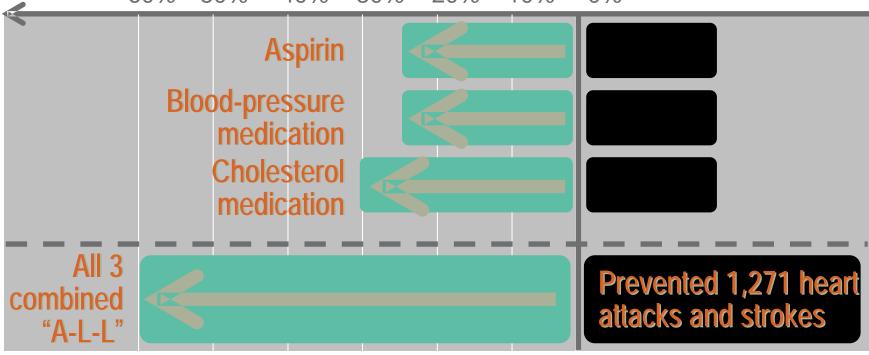
- Online classes & education
- Link to member programs (Health Ed classes and more)



"So What?" – institutionalizing best practices to achieve best health and best cost

Probability of heart attack or stroke reduced by



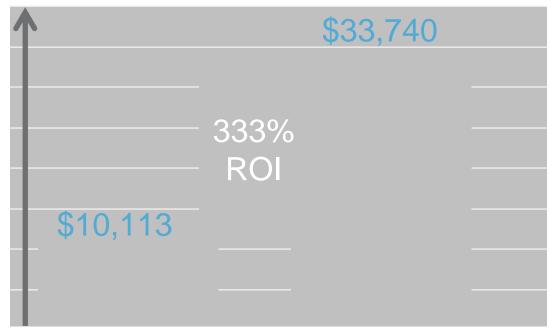


Source: James Dudl, MD, et al., "Preventing Myocardial Infarction and Stroke with a Simplified Bundle of Cardioprotective Medications," *American Journal of Managed Care*, October 2009.



"So What?" – institutionalizing best practices to achieve best health and best cost

Average cost



Cost to treat 57 people

Cost of one heart attack or stroke

Source: Kaiser Permanente data. The numbers on this slide were derived from internal Kaiser Permanente study of A-L-L, including Care Management Institute (CMI) analysis of unpublished data, the CMI business plan, and Department of Social Services data.

30,000 employees

10% on "A-L-L"

45 fewer heart attacks

1,800 days saved





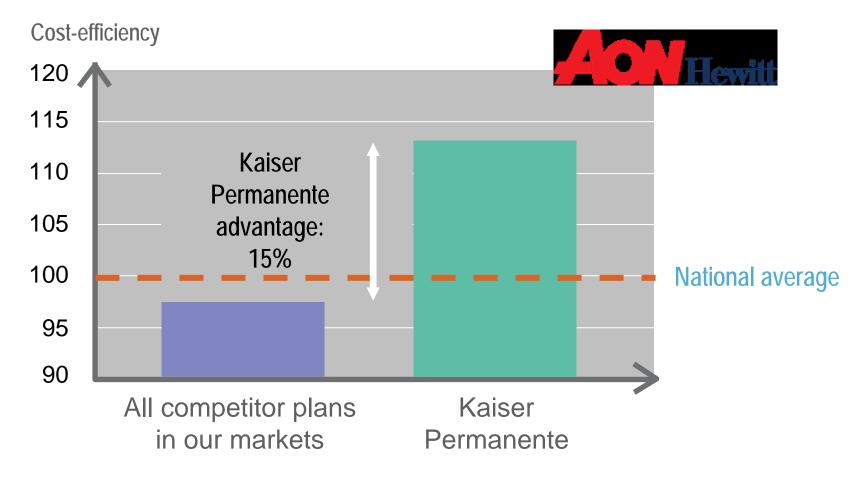
"So What?" – More cost-efficient than competitor plans four years running

Better health for members who email					
Patients with diabetes HEDIS® measure	Healthier outcomes (percentage points)				
Blood sugar control					
HbA1c screening	^	6.9			
HbA1c less than 9%	^	11.1			
Cholesterol					
LDL-C screening	^	7.2			
LDL-C less than 100 mg/dl		10.5			
Blood pressure					
BP less than 140/90	^	6.6			
Source: Yi Yvonne Zhou et al., "Improved Quality at Kaiser Permanente Through E-mail Between Physicians and Patients," <i>Health Affairs</i> , July 2010, pp. 1,370–1,375.					

- Kaiser Permanente recently studied more than 35,000 members with diabetes, hypertension, or both for two months—comparing the health status of those who used email against those who did not.
- The group who communicated with their doctors via email had higher screening rates and better health outcomes in blood sugar, cholesterol, and blood pressure control.



"So What?" – More cost-efficient than competitor plans four years running



Note: Aon Hewitt analyzes plan data after adjusting for demographics of the covered population, plan design, and geographic cost differences to establish an equitable, apples-to-apples comparison.



Hewitt Health Value Initiative™ Described

- The Hewitt Health Value Initiative™ Financial Index is a measure of health plan financial efficiency.
 - A Financial Index Score greater than 100% indicates a plan that is more cost efficient than average
 - A Financial Index Score less than 100% indicates a plan that is less cost efficient than average
- Kaiser Permanente ranked first in cost efficiency, clinical quality <u>and</u> overall plan performance in the Mid-Atlantic States (MAS) market.
 - Kaiser Permanente MAS delivers 18% greater financial efficiency compared to the average of our competitors
 - Kaiser Permanente's Plan Performance Index is the highest in the Mid-Atlantic market.
 It is 12% above the HMO market average, and 51% better than the all-plan average
 - For the Mid-Atlantic States region, Kaiser Permanente's Clinical Quality Score is the highest in the market. It is 14% above the HMO market average, and 125% better than the all-plan average.

Requested Items to Cover

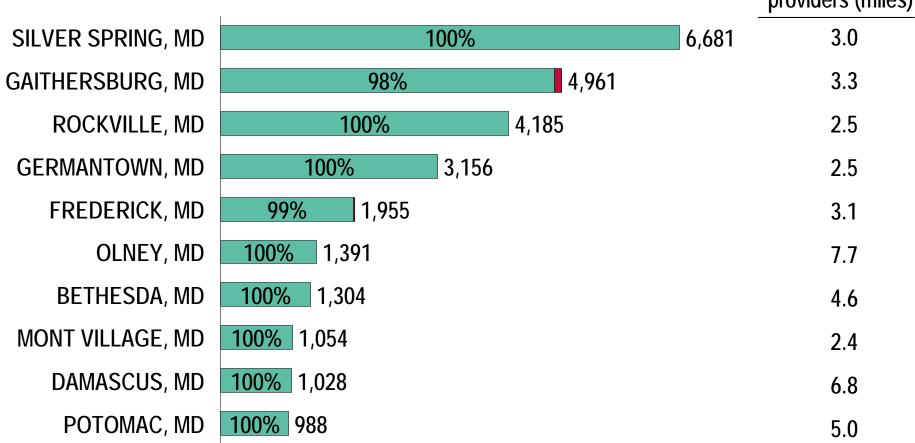
- Wellness and disease management in delivery of care
- Programs for Kaiser Permanente employees
- Capacity to serve new clients
- Union partnerships
- Rate setting



Geographic assessment – key areas

Top 10 employee areas

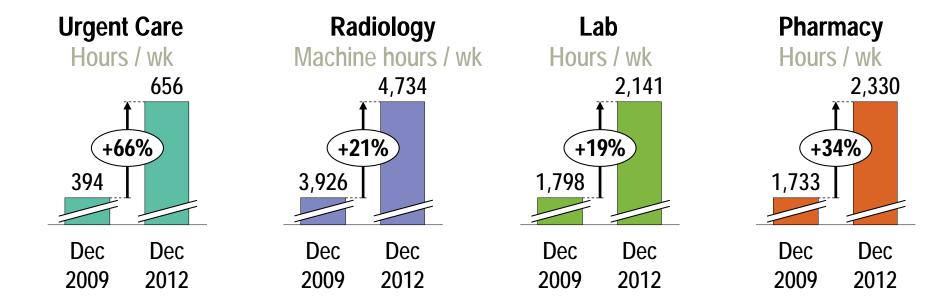
Avg. dist. to 2 providers (miles)



Bases on census from RFP



Expanding services



- Almost 300 board-eligible/board-certified physicians have joined us since the beginning of 2009
 - We have over a dozen specialists in 19 different specialties





Gaithersburg: A huge array of services

- **Comprehensive Primary and Specialty Care Services**
- 72 Provider Offices (23 Primary Care and 49 Specialty Care)
- Clinical Decision Unit/Urgent Care (24 x 7 x 365)
- **Ambulatory Surgery Center**
- Comprehensive Imaging services (except for PET CT)
- Laboratory (including blood transfusion) and Pharmacy
- HIMS, Member Services, Health Education and Administrative Support

First Floor

- Cafe
- Clinical Technology
- EVS
- Facilities Services
- Health Education
- HIMS
- Imaging Services
- Laboratory/ Blood Transfusion/Lab Service
- Member Services
- Pharmacy

Second floor

- Cardiology
- CDU/Urgent Care
- Orthopedic Surgery
- Nuclear Medicine
- **Podiatry**
- Pulmonary

Third Floor

- Allergy
- Blood Transfusion
- Dermatology
- Endocrinology
- Hematology
- Infectious Disease
- Infusion Center
- Infusion Pharmacy
- Nephrology
- Neurology
- Oncology
- Pain Management
- Physical Medicine
- Rheumatology
- Sleep Medicine

Fourth Floor

- Occupational Therapy
- Physical Therapy
- Speech Therapy
- Ophthalmology
- Optical Center
- Optometry

Fifth Floor

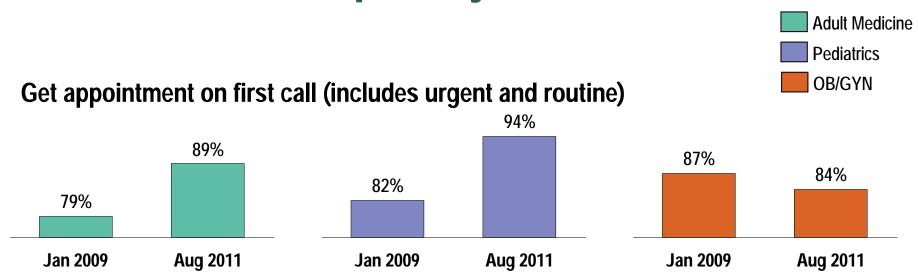
- Administration
- Adult Medicine
- Adolescent Medicine
- Conference Rooms
- OB/GYN
- Pediatrics
- Security
- Staff Lounge

Sixth Floor

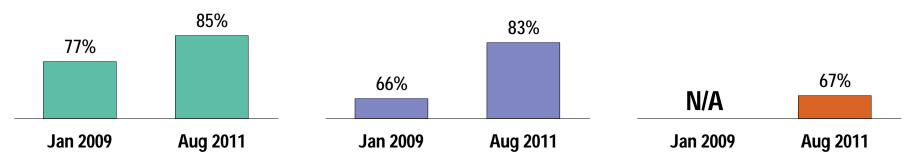
- Ambulatory Surgery
- Audiology
- ENT
- General Surgery
- Plastic Surgery
- Presurgical Testing
- Urology
- Vascular Surgery
- · Sterile Processing



Access to care – primary care

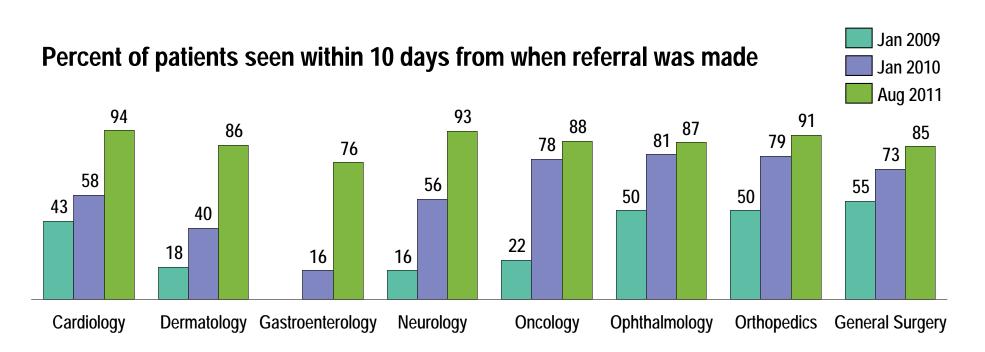


See your own doctor (includes urgent and routine)

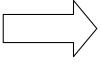




Access to care – specialty care



Across all specialties in 2011 our members have been seen, on average, 5-7 days after the referral



About 1 in 4 are seen same or next day



Adding innovations: Furthering patient access to care – the way you want it

Selected innovation examples

TeleDermatology



pConsult



Telemedicine Pilots



vConsult (Ortho, Spine)
More to come

- Saves time
- Saves a visit
- Saves a copay
- Improves care



Requested Items to Cover

- Wellness and disease management in delivery of care
- Programs for Kaiser Permanente employees
- Capacity to serve new clients
- Union partnerships
- Rate setting



Our Labor Management Partnership

 Launched in 1997 to transform the relationship between KP and its unions

 Largest, most comprehensive partnership, covering 90,000 employees in 29 local unions

 Shared commitment to improve quality service, affordability and the workplace guided by the KP Value Compass

 Unit-based teams lead patientcentered change at the front lines.

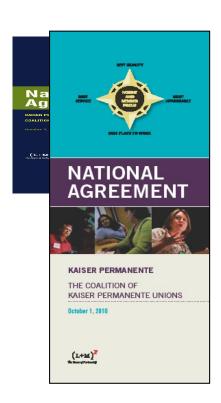




Founding principles of the Partnership

"Health care services and the institutions that provide them are undergoing rapid change. Now is the time to enter into a new way of doing business...to unite around our common purposes and work together to most effectively deliver high quality health care and prevail in our new, highly competitive environment."

- Partnership Founding Agreement, 1997





Distinctive workplace strategy

- Nation's only union health plan
- Frontline voice in goal setting, decision making, and ongoing performance improvement
- Employer of choice in health care, providing superior care in a high-performance workplace
- Employment and income security
- Enhanced career opportunities for union workers, with innovative educational trust funds



Public recognition



- Kaiser Permanente's industry-leading use of collaborative communities to improve organizational performance is featured in the <u>Harvard Business Review</u>.
- The article highlights Kaiser Permanente's <u>Labor Management Partnership</u> as a model collaborative community that fosters this kind of innovation, agility and efficiency. Kaiser Permanente's <u>unit-based teams</u> employ all of the key elements of collaborative communities, including a shared purpose, contribution and a strong infrastructure.
- The article authors, Paul Adler, Charles Hecksher and Laurence Prusak, use the Kaiser Permanente <u>Value Compass</u> to illustrate their point about the importance of defining and building a shared purpose. The Value Compass features the patient/member at the center of the compass, with four surrounding points: best quality, best service, most affordable and best place to work.



LMP in action: Unit-based teams



Unit-based team: A natural work group of frontline workers, physicians and managers who solve problems and enhance quality for tangible results. UBTs work together to:

- Set goals
- Review and evaluate performance
- Identify and solve problems
- Contribute to decisions on budget, staffing and scheduling

UBTs drive organizational performance



UBT success: Patient education & outreach

Woodlawn, MD, Internal Medicine team: Improving chronic care

WHAT THEY DID:

- Developed exam room questions to determine diabetes patients' compliance with prescribed preventive drug regimen, including aspirin.
- identified patients with gaps and referred them to RNs for education.
- Phone and letter outreach to diabetic patients to see if they are taking prescribed drugs.

RESULTS:

 Compliance more than doubled in 10 months, from 34.8% to 70.1%, for high-risk patients taking aspirin.



Dr. Nara Um, Woodlawn Medical Center



Requested Items to Cover

- Wellness and disease management in delivery of care
- Programs for Kaiser Permanente employees
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Kaiser Permanente Rating Methodology

- The KP methodology used for calculating renewal rates for mid and large groups is prospective experience rating.
- The credibility applied to each group's claims experience is based on the average membership during the utilization period.
 - Avg. Membership > 1,000 = 100% credible
 - Avg. Membership < 1,000 = Blend of Manual Rate, Risk and Groups Claims
- Montgomery County Government and Montgomery County Public Schools are both 100% credible.
- Montgomery County College and WSSC use a combination of risk and claims.
- The pooling level, pooling charges and retention are also based on membership.
 The larger the enrollment, the lower the charge.
- The revenue requirement will vary by group based on the group's unique utilization and costs associated with rendered services and influenced by benefit design, offering conditions, demographics, and contract size.



Appendix



Kaiser Permanente Recognition: Highest employer satisfaction



- "Highest Employer Satisfaction among **Fully Insured Commercial Health Plans**"
- J.D. Power and Associates 2011 Employer Health Insurance Plan StudySM

Note: Kaiser Foundation Health Plan received the highest numerical score among fully insured commercial health plans in the proprietary J.D. Power and Associates 2011 Employer Health Insurance Plan StudySM. Study based on 7,024 employer responses measuring 6 plans. Proprietary study results are based on experiences and perceptions of employers surveyed in March–April 2011. Your experiences may vary. Visit idpower.com.



Kaiser Permanente Recognition: Time Magazine online



Saving & Spending Planning Investing

Real Estate & Homes

INSURANCE

Why Are Customers of This Health Insurer So Happy?

ByMAGGIE MAHAR October 18, 2011

Kaiser Permanente's stand out performance in Consumer Reports' national rankings of some 830 insurance plans raises an obvious question: What makes Kaiser so different? In a word: collaboration

http://moneyland.time.com/2011/10/18/why-are-customersof-this-health-insurer-so-happy/



Saving & Spending Planning Investing Real Estate & Homes

INSURANCE

Patients Prefer HMOs (And Other Healthcare Surprises)

ByMAGGIE MAHAR | October 17, 2011

Are health insurance plans with big brand names better than smaller insurers that most people have never heard of? "Not usually," says Nancy Metcalf, senior program editor, at Consumer Reports. Unless that is, the plan's name is "Kaiser."

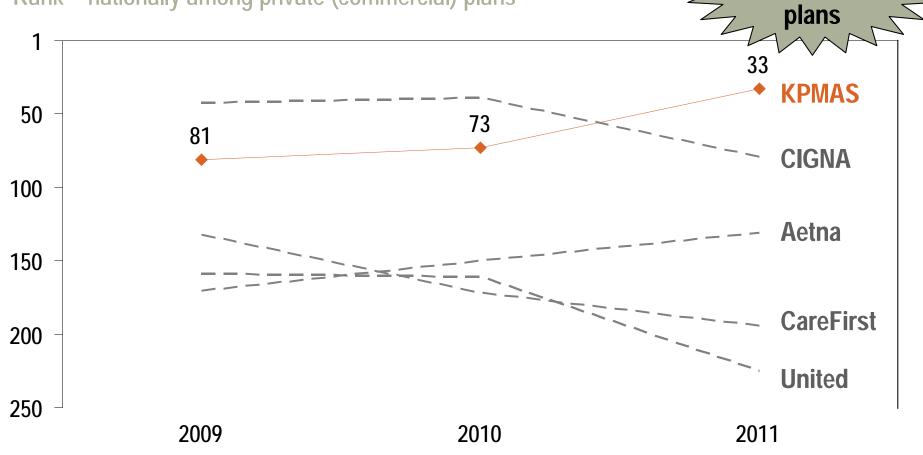
http://moneyland.time.com/2011/10/17/health-insurancesurprises-smaller-is-often-better-and-patients-prefer-hmos/



Kaiser Permanente Recognition: NCQA Rankings

KPMAS: NCQA Health Insurance Plan Ranking

Rank – nationally among private (commercial) plans



NOTE: NCQA (National Commission for Quality Assurance) plan rankings based on Consumer Satisfaction, Prevention, and Treatment metrics.



Surpassed

48 other

Kaiser Permanente Recognition: HEDIS Effectiveness of Care metrics

48 items measured

- Immunizations
- Condition management
- Screenings
- And more

Kaiser Permanente rank by State



All 48 metrics ranked 5th or better in each State 7 of 48 metrics not only local "gold," but top 10 nationally



Kaiser Permanente Recognition: Maryland Healthcare Commission

Health Plan Quality Summary – Count of measures above MD State Average

HMO and HMO/POS Plans only: 22 total measures across 4 Performance Categories (Primary Care, Chronic Care, Behavioral Health Care, Member Satisfaction)

